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ZNR UUUUU ZZH
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FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6783
INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 05 TEL AVIV 001081

SENSITIVE

SIPDIS

STATE FOR NEA/IPA

E.O. 12958: N/A

TAGS: [PGOV](#) [PINR](#) [PHUM](#) [SOCI](#) [IS](#)

SUBJECT: MOUNTING TENSIONS BETWEEN ISRAEL'S ARAB AND JEWISH CITIZENS

REF: A) TEL AVIV 1080

B) 07 STATE 123763 (C-NE7-01407)

1. (SBU) Summary and Comment: Over the past few years, Israel has witnessed a slow but steady worsening of relations between its Jewish and Arab citizens. Populist and in some cases extremist rhetoric from leaders in both communities has inflamed passions and become an increasingly acceptable discourse among both groups, with some Jews calling for population transfer and some Arabs calling Jews "fascist" perpetrators of a new Holocaust. Incidents of stone-throwing by Arab youth are on the rise, and in mid-March Israel Security Agency (ISA) Director Yuval Diskin reported an increase of Israeli-Arab involvement in terrorism. Since the violent demonstrations of October 2000, during which police killed 12 Israeli Arabs, unfulfilled GOI promises to undertake projects to improve the status of Israel's Arabs have left wide socio-economic gaps between the two societies and a growing sense of frustration, particularly among Arab youth. The Israeli-Arab leadership's publication in late 2006 of a series of documents calling for the establishment of equality between Jews and Arabs and largely rejecting the legitimacy of the state's Jewish character contributed to the Jewish sense that Israeli Arabs are a fifth column in the country. Israeli journalists and academics have begun writing about the possibility of a third intifada, and despite occasional positive signs for the troubled Jewish-Arab relationship, there is a real risk that the current environment could become explosive with negative repercussions for the Palestinian negotiating track and Israel's internal stability. To prevent current tensions from escalating over time, the GOI needs to begin delivering on the many unfilled promises of full equality and equal opportunity for Israel's 1.3 million Arab citizens, especially the disgruntled youth -- 75 percent of whom defy popular wisdom by expressing support for the idea of voluntary civilian service in exchange for benefits similar to military veterans. For its part, the Israeli Arab leadership -- Knesset members and mayors, activists and clerics -- needs to recognize that they cannot have it both ways, and that if they value their Israeli citizenship, they need to end incitement against the state. A government-sponsored conference on the situation of the Arab-Israeli population is being organized by the Prime Minister's Office for June. It could be the start of a dialogue to help promote reconciliation. End summary and comment.

The Tension Builds: October 2000 and the Second Lebanon War

2. (SBU) Though far from new, current tensions between Israel's Jews and Arabs faced a sharp turn for the worse following the events of October 2000, when police killed 12 Israeli Arab citizens in the Galilee during riots expressing solidarity with Palestinians in the early days of the "Al Aqsa Intifada." Following the deaths, the GOI appointed a commission of inquiry, the Or Commission, to investigate the circumstances surrounding these events. Noting that the government's handling of the Arab sector had been "primarily neglectful and discriminatory," the Or Commission made a series of recommendations to improve the status of Israeli Arabs. It determined that "action must be focused on giving true equality to

the country's Arab citizens" and said that the state must initiate, develop, and operate programs to close gaps in education, housing, industrial development, employment, and services. However, the conclusions and recommendations of the Or Commission have remained largely unimplemented since the report's publication in 2003.

13. (SBU) The Second Lebanon War in the summer of 2006 served as an ominous reminder of the lack of progress in improving the lives of Israeli Arabs and the potentially dangerous consequences of the radicalization of this minority population. During the war, with Hizballah rockets bombarding communities in northern Israel, Arab citizens complained that most of their towns and villages had no bomb shelters and said they lacked basic emergency information in Arabic. The Mossawa Center, an advocacy center for Arab citizens of Israel, confirmed there was not "a single public bomb shelter in Nazareth, while there are 523 bomb shelters in the neighboring Jewish city of Upper Nazareth." The Center also reported that many of the Arab villages lacked alarm systems to warn them of incoming rockets.

14. (SBU) In addition to highlighting Israeli Arab resentment at the lack of resources devoted to protecting Arab communities, the Second Lebanon War also demonstrated the identification of part of the Arab population with Hizballah. During the war, a small minority of Arab citizens directly affected by rocket attacks spoke out against Hizballah, while the majority condemned the Israeli war effort even as Hizballah fired rockets at northern Israel (killing Arab citizens). Arab students at Haifa University even raised the Hizballah flag. In the Knesset, the ten representatives of Arab parties spoke out against Israel's actions in the war, drawing angry responses from Jewish politicians and the press, and prompting some

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Jewish leaders to advocate depriving them of their citizenship. Although some members of Israel's Jewish population have long questioned the loyalty of Arab citizens in the abstract, the events of the Second Lebanon War contributed to a deeper foreboding that Arab citizens were capable of actively betraying the state. Many Israelis' worst fears were confirmed when former MK Azmi Bishara (Balad) resigned from the Knesset while abroad in April 2007 following a police investigation into his foreign contacts and accusations that he aided Hizballah during the war. Bishara is widely believed to have provided Hizballah with information regarding strategic targets in Israel during the war in exchange for money.

Jews Reject a New Vision for Israel's Arabs

15. (SBU) Since 2000, with the gaps between Israel's Arab and Jewish sectors showing no sign of closing, many Arab citizens of Israel have begun to lose hope in the possibility of achieving equality through the existing legal and political frameworks. Following the Second Lebanon War, in late 2006, a series of documents drafted by some 40 Israeli Arab academics entitled "The Future Vision of the Palestinian Arabs in Israel" was published by the National Committee of the Heads of Arab Local Councils and endorsed by the Arab Higher Monitoring Committee of the Arabs in Israel. This document, plus three others that quickly followed, express Arab alienation from the State and attempt to redefine the status of the Arab minority vis-à-vis the Jewish majority. In addition to calling for equality and the abolishment of discrimination, the Vision document and its successors reject the legitimacy of Zionism and the notion of a democratic Jewish state, calling instead for alternative models such as "consociational" democracy (which involves guaranteed group representation, as in Lebanon), a bi-national state, or a democratic bilingual state. They define the Arab sector in Israel as a part of the broader Palestinian national community and refer to its members as "Palestinian Arabs in Israel," (rather than "Israeli Arabs") contributing to Jewish fears of a fifth column. Most of the Jewish commentators in Israel, including longtime advocates of greater equality for Arab Israelis, found the vision documents profoundly disturbing. Although large segments of the Jewish public support equal rights and greater opportunity for Arab citizens on an individual basis, the call for equal "collective" rights and the

adoption of the Palestinian narrative, together with the rejection of the Jewish character of the state, was considered a negative watershed in relations by most Israeli Jews.

A More Complex Picture: The National Service Debate and Israel's 60th Anniversary

¶6. (SBU) If the Vision documents indicate a growing rift between Jews and Arabs on national issues, the current debate over national service offers a more complex picture. The Arab leadership, including Arab journalists and most (but not all) Arab mayors and members of Knesset, has largely come out against the idea of Arab citizens performing civilian national service in lieu of military service. They tout rhyming Arabic slogans such as "I volunteer for my country, not for my hangman," and argue that in light of the historic injustices inflicted on Arabs in Israel, the state has no right to demand national service from them. This influential group views national service as part of a policy to destroy the Palestinian national identity of Israel's Arabs and strongly discourages Arab youth from participating. Arab MK Jamal Zahalka (Balad) went so far as to say that "anyone who volunteers for national service will be treated like a leper, and will be vomited out of Arab society." However, surveys show a rift between the leadership's position and that of Arab youth: 75% of Arab youth between the ages of 16 and 22 support voluntary civilian service and see it as an opportunity for personal growth and economic advancement. In contrast, over 90% of their elected leaders oppose it. Labor MK Nadia Helou is one of the only prominent Arabs to support national service. In addition to the rift between the leadership and the general public, there are also significant divisions within the Arab community at large on this issue as evidenced by the burning of a store owned by an Arab Israeli in Haifa days after he spoke out publicly in favor of national service.

¶7. (SBU) In the same vein, among the Bedouin, an Arab minority whose members have traditionally volunteered for service in the Israel Defense Forces (IDF), military service has recently become a point of contention revealing conflicted attitudes within the Bedouin community. On more than one occasion in the past year, the families of Bedouin soldiers killed in combat in Gaza have requested that their names be withheld from the media so as to avoid reprisals from other members of the community who have begun to consider service in the IDF as a treacherous betrayal of Arab unity. In the wake of the

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April 16 death of Sgt. Manahash Baniyat in the Gaza Strip, Faisal Abu Nadi, chairman of the Bedouin Forum of Discharged Soldiers, told Israel Radio that Bedouin enlistment in the IDF had dropped by as much as 50 percent - not due to discrimination within the army, but due to the State's treatment of the Bedouin, many of whom - including Sgt. Baniyat - live in unrecognized villages in homes that are often demolished by the State. These examples, together with the national service debate, indicate that segments of Israel's Arab population are adopting more extreme, less integrationist positions over time, contributing to growing tensions and Jewish fears of the Arab minority becoming an enemy from within.

¶8. (SBU) A similar divide exists within the Israeli Arab community regarding participation in Israel's 60th anniversary this month. Although the collective Arab leadership decided to boycott Israel's 60th anniversary celebrations, individual Arab citizens, some in leadership positions, have expressed different opinions. Sana Elbaz, the daughter of a Bedouin family from Tel Sheva who lit a celebratory torch at Israel's 60th anniversary ceremony in Jerusalem, saw her car set ablaze by unknown persons outside of her house. Ursan Yassin, the Mayor of Shfaram, for example, stated publicly in January 2008 that he would like to celebrate Independence Day in his city much like Jews in the U.S. celebrate the Fourth of July. He said that "the 40,000 residents of Shfaram feel that they are a part of the State of Israel. The desire to participate in the festivities is shared by most of the residents." The Arab Higher Monitoring Committee subsequently attacked Yassin, stating that he does not represent all of Israel's Arabs. The

Committee chairman argued that for Arab citizens of Israel, "Jewish Independence Day is our Nakba Day." (Nakba translates literally as "catastrophe" or "blow.")

¶9. (SBU) In contrast to Shfaram, other Arab communities in the Galilee are conducting a series of "Nakba activities" to coincide with Israeli Independence Day, including visits to the sites of villages destroyed during and after Israel's 1948 War of Independence. Many Arab citizens of Israel have pointed out that although their communities celebrated Israeli Independence Day in the past by singing Israeli songs and flying Israeli flags, today many Arabs feel that doing so is shameful. Provocative rhetoric surrounding Israel's 60th anniversary is also a source of rising tensions between Jews and Arabs. In December 2007, Internal Security Minister Avi Dichter warned Israeli Arabs that "people who, year after year, lament the Nakba, should not be surprised when in the end, they have a Nakba." Fortunately, none of these Nakba commemorations have resulted in significant violence, although tensions will remain throughout the month as both Jews and Arabs continue to mark their respective national milestones.

Incendiary Rhetoric on the Rise

¶10. (SBU) Israel's 60th anniversary is not the only source of fiery rhetoric between Jews and Arabs. In recent months both Jewish and Arab Israelis have been exposed to a vicious public debate where radical statements are gaining legitimacy in their respective communities. In the Arab sector, anger over the plight of the Palestinians has led to demonstrations in which Arab citizens have alleged that Israel is perpetrating a "Holocaust" in Gaza - reprising and amplifying the words of Deputy Defense Minister Matan Vilnai who threatened that a "Shoah" would be inflicted on the people of Gaza in response to rocket attacks. During one such demonstration in Umm el-Fahm in March 2008, Arabs called Jews "children of Hitler" and held signs that read "Stop the Zionazi massacre" -- particularly inflammatory rhetoric in a country founded in the wake of the Holocaust.

¶11. (SBU) In another strong public statement this March, members of the Arab public at soccer matches in Sakhnin and Nazareth refused to stand in mourning over Jews killed in the recent terrorist attack in a Jerusalem yeshiva. In the Jewish sector, MK Avigdor Lieberman's (Yisrael Beiteynu) ideas about swapping land and people -- Jewish settlements in the West Bank for Arab villages near the Green Line -- are frequently heard in the Knesset and the media. The Knesset itself has been the battleground for much vitriol in 2008, with Arab and Jewish MKs leveling curses and insults at each other. After the attack in the yeshiva, Lieberman told Arab MKs that the current government is full of "weaklings," saying, "Believe you me, it's temporary, and you're temporary." Lieberman is not the only MK to express these opinions. Following the Umm el-Fahm demonstration, MK Effie Eitam (NU-NRP) told Arab lawmakers, "A day will come when we will drive you out of this house [the Knesset] and from the national home of the Jewish people." Arab MK Taleb El-Sana (Ra'am-Ta'al) called a proposed amendment to the Basic Law that would bar candidates who have visited enemy states without permission from running for office "worse than the Nuremberg Laws." In mid-April Arab MK Ahmed Tibi spoke out against Israel at the Doha Forum, labeling the country "an apartheid state" while FM Livni was

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present.

¶12. (SBU) Though inflammatory rhetoric itself may be worrying to many Israelis, the real concern among mainstream Israeli Jews is that the heated words may one day lead to violent insurrection among Israel's Arab citizens. This year's Land Day commemorations inside the Green Line (when Arab Israelis memorialize the 1976 killing by security forces of six Arabs during protests against land expropriations) may have come and gone without violence, but they were marked by harsh diatribes against Israel calling for action. Arab citizens waved Palestinian Authority and Islamic Movement flags, and MK Jamal Zahalka told the crowd gathered at the central rally in Arabe that "it remains for the Arabs only to launch a mass

struggle for their lands and homes." Many of the demonstrators called for Arab autonomy in the Galilee, stating that "the time has come for us to stand up for our rights even at the price of fighting with sticks and stones." In what was the most direct call for violence, the extremist Sons of the Village movement called for terror attacks against Jews, shouting "Our Popular Front, we want a terror attack from you."

Nightmare Scenario: An Arab Israeli Intifada?

¶13. (SBU) With Arab-Jewish relations in Israel seemingly worse on balance than at any time since Israel lifted military rule over Israeli Arabs in 1966, some from among the more alarmist sectors of Israeli society are beginning to wonder if a "third intifada" could be sparked from among Israel's Arab minority. The 2007 Arab-Jewish relations index published in April 2008 by Professor Sami Smoocha, a widely-respected dean at Haifa University, determined that more than half of Israel's Jewish and Arab populations believe that the two communities are not on good terms and that relations are likely to continue deteriorating in the future. The study found that the percentage of Israeli Arabs who deny Israel's right to exist as a Jewish Zionist state rose slightly over the last year and now stood at 64 percent, and the percentage of those who deny Israel's right to exist at all rose from 15 to 20 percent. Support for the use of violence to advance the interests of the Arab minority also rose, from 9.5 to 10.8 percent. In other words, if the survey is accurate, approximately 140,000 Israeli citizens would say they support violence against the state. In the Jewish sector, a poll commissioned by the Knesset Channel revealed that 76 percent of Israeli Jews give some degree of support to transferring Israeli Arabs to a future Palestinian state. On a positive note, Smoocha said that when compared to surveys conducted in previous years, this year's results do not show "a trend towards extremism in the attitudes of the Arab population or entrenchment among the Jewish public." Perhaps confirming this sentiment, he also found that 75 percent of Arabs still believe Israel is a good place to live.

¶14. (SBU) Events within the Arab community in the first four months of 2008, however, challenge Smoocha's optimism. In recent months, police sources have reported "a rising trend" in incidents of stone-throwing and other disturbances relating to nationalist motives among the Israeli Arab community. In mid-March police officials said that in the past month and a half dozens of reports of stone-throwing had been received from the area south of Haifa and a considerable number from the lower and western Galilee. In many instances the police subsequently arrested minors who confessed to the acts. Some Arab youth admitted that the Islamic Movement's Northern Branch -- headed by the radical Sheikh Raed Salah, who regularly tries to incite Arab Israelis to a new intifada -- paid them to throw stones. Two fifteen-year-old residents of a village in the western Galilee told reporters they were paid NIS 100 to throw stones the first time, and NIS 50 a second time. It is unclear how much of the recent stone-throwing is sponsored by the Northern Branch Islamic Movement, but Northern Branch activists suggest they are responsible for a great deal of it. A 47-year-old high-ranking member of the movement who was quoted in the press confirmed that "we help these children with pocket money," adding that "without social frameworks in the villages, many youths fill the mosques and realize that if we don't take our future into our own hands, the government will keep on taking away our land, our homes and our honor." Anecdotal evidence suggests that such sentiments are gaining ground, as the Northern Branch of the Islamic Movement continues to make political and religious gains in Arab communities, and has recently even become a major force in the formerly aloof Bedouin communities of the Negev. (Note: Israel's Islamic Movement split several years ago into the more extreme and confrontational Northern Branch, led by Sheikh Raed Salah, and the moderate and tolerant Southern Branch, led by Islamic Movement founder and coexistence activist Sheikh Abdullah Darwish.)

¶15. (SBU) Israeli expert on the Israeli Arab community Professor Eli Rekhes says he does not believe the stone-throwing incidents will lead to an explosion like the October 2000 riots, but is nevertheless pessimistic: "A policy of perpetual disregard of the

Arab community has its price. If present trends are allowed to continue, the question is not if the Arab sector is going to explode, but when." Minister of National Infrastructure and former Minister of Defense Benjamin Ben-Eliezer echoed Rekhes' comments, saying in a newspaper interview, "I'm worried about the country's future. The way we've treated them [Israeli Arabs] since 1948, apart from the brief period of the Rabin government, has pushed them into alienation and despair. We're in a sociopolitical process whose end is predictable. Fortunately for us, it is proceeding very slowly, but if we don't stop it, we ourselves will turn them into a fifth column."

¶16. (SBU) In March Israel Security Agency (Shin Bet) Director Yuval Diskin reported an increase in the involvement of Israeli Arabs in terrorism, noting that in the past year 25 Arabs with Israeli citizenship had been arrested on suspicion of involvement with terrorist activity. (Ref. A reports on a recent discussion between the Ambassador and Diskin on this topic.) A terror attack carried out by an Israeli Arab, such as the one called for on Land Day, could spark additional violent confrontations and a further deterioration of inter-group relations. Depending on the GOI's response, such an attack could also present a crisis for Israel's current government. In the absence of a terror attack, with tensions running so high, even an isolated confrontation, if it turns violent, between Arab citizens and law enforcement, has the potential to expand into a major conflagration.

The Israeli Arab Promise

¶17. (SBU) Although many in the GOI and the Israeli public currently consider Arab citizens a liability for the State of Israel, that need not be their role in Israeli national life. A GOI decision to narrow socioeconomic inequalities and engage the Arab public constructively on issues of national identity could quickly transform their national image from that of liability to asset. Israel's Arab citizens could serve as valuable players in the achievement of a peace agreement with the Palestinians, and following such an agreement, serve as a bridge between Israel and the rest of the Arab world. Israel's Arab citizens offer a pool of educated, moderate, democracy-minded citizens capable of assisting with the social and economic development of the region. Their knowledge of Israeli politics, culture and history could play a key role in achieving regional peace agreements with other Arab states, and they could serve as Israel's ambassadors to the rest of the Arab world.

¶18. (SBU) Comment: To realize such a potential, however, the GOI needs to start delivering, in a determined and lasting way, on the many empty promises made to the Arab minority over the years. At the same time, the Arab minority, especially its entrenched but largely self-serving leadership, needs to recognize that it cannot have it both ways -- that it cannot continue demanding the full fruits of Israeli citizenship while also inciting against the state's existence. The GOI, because it encumbers the responsibilities of democratic governance and because it represents the majority, needs to take the first step. But then, if met by a responsible reaction from the Israeli Arab community, the two sides could begin to repair their relations by working together in earnest to realize the national and regional promise of Israel's Arab minority. The Prime Minister's proposed June conference on the situation of the Arab-Israeli population may be the first step in such a process.

JONES